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**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.
RUSTON, LOUISIANA**

**REPORT ON INTERNAL CONTROLS AND COMPLIANCE
BASED ON AN AUDIT PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**APPENDIX TO REPORT ON INTERNAL CONTROLS AND
COMPLIANCE BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/10/02

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
DECEMBER 31, 2001 AND 2000
AND
INDEPENDENT AUDITORS' REPORT**

MINCHEW, ROBINSON, GARDNER, LANGSTON and BRYAN
CERTIFIED PUBLIC ACCOUNTANTS

2120 Forsythe Avenue
P.O. Box 4550
Monroe, Louisiana 71211-4550

GENE E. MINCHEW, CPA
A Professional Corporation
OSCAR C. ROBINSON, JR., CPA
A Professional Corporation
C. DENNIS GARDNER, CPA
A Professional Corporation
TIMMY R. LANGSTON, CPA
A Professional Corporation
RUSSELL B. BRYAN, CPA
A Professional Corporation

Telephone
(318) 323-4481

Telecopier
(318) 323-2188

**REPORT ON INTERNAL CONTROLS AND
COMPLIANCE BASED ON AN AUDIT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements, as listed in the table of contents, of Louisiana United Methodist Children and Family Services, Inc., as of and for the years ended December 31, 2001 and 2000 and have issued our report thereon, dated February 22, 2002. We have conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. The attached Appendix is an integral part of this report.

In planning and performing our audit, we obtained an understanding of the Louisiana United Methodist Children and Family Services, Inc.'s internal control and assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We also tested the Louisiana United Methodist Children and Family Services, Inc.'s compliance with laws, regulations, and other provisions of contracts and grants that could have a direct and material effect on the financial statements.

We identified no material weaknesses in internal control and no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*. However, our consideration of the Louisiana United Methodist Children and Family Services, Inc.'s internal control and our testing of its compliance with laws, regulations, and provisions of contracts and grants were not designed to and did not provide sufficient evidence to express an opinion on such matters and would not necessarily disclose all matters that might be material weaknesses. Accordingly, we do not express an opinion on Louisiana United Methodist Children and Family Services, Inc.'s internal control or on its compliance with laws, regulations, and provisions of contracts and grants. We did not issue a management letter in connection with the current year audit.

Our report on Internal Controls and Compliance for the year ended December 31, 2000 identified no material weaknesses in internal control and no instances of noncompliances that were required to be reported under *Government Auditing Standards*.

This report is intended for the information of the audit committee, management, and federal awarding agencies and regulatory and legislative bodies.

Minchew, Robinson, Gardner, Langston and Bryan

February 22, 2002

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**APPENDIX TO REPORT ON INTERNAL CONTROLS
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FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

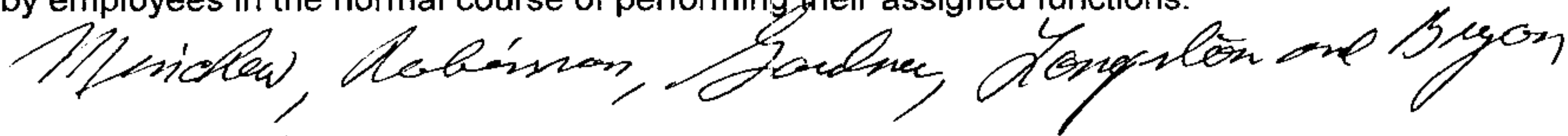
Responsibility of Management

The management of Louisiana United Methodist Children and Family Services, Inc. is responsible for compliance with laws, regulations, contracts, and grants applicable to Louisiana United Methodist Children and Family Services, Inc., and for establishing and maintaining internal control. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Definitions

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the Louisiana United Methodist Children and Family Services, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertion of management in the financial statements.

A *material weakness* is a reportable condition in which the design or operation of internal control does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited could occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.



February 22, 2002

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.
RUSTON, LOUISIANA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA
DECEMBER 31, 2001 AND 2000
AND
INDEPENDENT AUDITORS' REPORT**

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL
STATEMENTS BASED ON AN AUDIT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the accompanying statements of financial position of Louisiana United Methodist Children and Family Services, Inc., as of December 31, 2001 and 2000, and the related statements of activities and cash flows for the years then ended, as listed in the table of contents. These financial statements are the responsibility of Louisiana United Methodist Children and Family Services, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana United Methodist Children and Family Services, Inc., as of December 31, 2001 and 2000, and the changes in net assets and cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 22, 2002 on our consideration of Louisiana United Methodist Children and Family Services, Inc.'s internal control and tests of its compliance with laws and regulations.

Minchew, Robinson, Gardner, Langston and Bryan

February 22, 2002

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2001 AND 2000**

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2001	Total All Funds 2000
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 219,471	\$ 391,300	\$ 10,414	\$	\$ 621,185	\$ 2,784,863
Accounts receivable	495,643		118,342		613,985	387,832
Prepaid expenses	45,549		84,668		130,217	48,549
Promises to give - temporarily restricted			119,320		119,320	200
Total current assets	\$ 760,663	\$ 391,300	\$ 332,744	\$	\$ 1,484,707	\$ 3,221,444
Other Assets						
Promises to give - temporarily restricted	\$	\$	\$ 90,026	\$	\$ 90,026	\$
Long-Term Investments						
Certificates of deposit - temporarily restricted	\$	\$	\$ 72,587	\$	\$ 72,587	\$ 71,287
Stocks, bonds and notes		21,005,464	20,221		21,025,685	23,639,505
Investment property			521,936		521,936	522,033
Trust funds - temporarily restricted			944,420		944,420	892,379
Total long-term investments	\$	\$ 21,005,464	\$ 1,559,164	\$	\$ 22,564,628	\$ 25,125,204
Property and Equipment						
Land and improvements	\$	\$	\$	\$ 93,220	\$ 93,220	\$ 93,220
Property, plant and equipment				10,316,471	10,316,471	8,353,933
Less: Accumulated depreciation				(4,119,418)	(4,119,418)	(3,804,481)
Total property and equipment	\$	\$	\$	\$ 6,290,273	\$ 6,290,273	\$ 4,642,672
Total Assets	\$ 760,663	\$ 21,396,764	\$ 1,981,934	\$ 6,290,273	\$ 30,429,634	\$ 32,989,320
LIABILITIES						
Current Liabilities						
Accounts payable	\$ 47,203	\$	\$ 113,480	\$	\$ 160,683	\$ 119,473
Accrued compensation	257,904				257,904	210,158
Total current liabilities	\$ 305,107	\$	\$ 113,480	\$	\$ 418,587	\$ 329,631
Net Assets						
Unrestricted	\$ 455,556	\$ 21,396,764	\$ 732,127	\$ 6,290,273	\$ 28,874,720	\$ 31,695,823
Temporarily restricted			1,136,327		1,136,327	963,866
Total net assets	\$ 455,556	\$ 21,396,764	\$ 1,868,454	\$ 6,290,273	\$ 30,011,047	\$ 32,659,689
Total Liabilities and Net Assets	\$ 760,663	\$ 21,396,764	\$ 1,981,934	\$ 6,290,273	\$ 30,429,634	\$ 32,989,320

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**COMBINED STATEMENTS OF ACTIVITIES
For The Years Ending December 31, 2001 and 2000**

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2001	Total All Funds 2000
UNRESTRICTED SUPPORT AND REVENUE						
Contributions	\$ 480,050	\$	\$ 580,606	\$	\$ 1,060,656	\$ 524,337
Children's home offerings	85,132				85,132	58,179
Wills and bequests			153,459		153,459	127,792
Child care support	4,354,799				4,354,799	3,607,779
Independent living services	150,858				150,858	123,097
Grants for child care	86,727				86,727	87,643
Family development services	36,502				36,502	18,467
Trust funds	83,173		18,249		101,422	95,944
Interest income	7,031	82,416	18,324		107,771	75,633
Dividend and pooled funds income	29,832	977,617	524		1,007,973	1,183,920
Miscellaneous	100,282		533		100,815	80,981
Net realized and unrealized gain (loss) on investments		(3,225,958)	18,091		(3,207,867)	(1,807,261)
Other investment income			310,770		310,770	425,267
	<u>\$ 5,414,386</u>	<u>\$ (2,165,925)</u>	<u>\$ 1,100,556</u>	<u>\$</u>	<u>\$ 4,349,017</u>	<u>\$ 4,601,778</u>
EXPENSES						
Administrative and general	\$ 1,078,049	\$ 42,405	\$ 142,237	\$	\$ 1,262,691	\$ 1,115,651
Plant operation and maintenance	459,492				459,492	451,028
Medical and nursing	173,764				173,764	150,096
Dietary	417,782				417,782	340,502
Emergency shelter care	479,251				479,251	384,282
Residential group care	718,595				718,595	673,441
Recreational	162,025				162,025	142,459
Educational services	360,874				360,874	289,441
Pastoral care	78,965				78,965	74,522
Family development service	226,439				226,439	236,238
Clinical services	495,888				495,888	550,142
Life skills service	147,072				147,072	123,422
Outdoor wilderness learning	121,067				121,067	108,204
Public relation and development	283,361				283,361	265,703
Family plus	150,588				150,588	60,817
Changing attitudes and behavior	1,261,318				1,261,318	914,675
Provision for depreciation				370,943	370,943	306,421
	<u>\$ 6,614,530</u>	<u>\$ 42,405</u>	<u>\$ 142,237</u>	<u>\$ 370,943</u>	<u>\$ 7,170,115</u>	<u>\$ 6,187,044</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (1,200,144)</u>	<u>\$ (2,208,330)</u>	<u>\$ 958,319</u>	<u>\$ (370,943)</u>	<u>\$ (2,821,098)</u>	<u>\$ (1,585,266)</u>
CHANGE IN ASSETS FROM OPERATIONS	<u>\$ (1,200,144)</u>	<u>\$ (2,208,330)</u>	<u>\$ 958,319</u>	<u>\$ (370,943)</u>	<u>\$ (2,821,098)</u>	<u>\$ (1,585,266)</u>
OTHER CHANGES IN NET ASSETS						
Property and equipment acquisitions and transfers	(20,531)		(1,998,013)	2,018,544		
Operating transfers	1,383,845	(1,898,845)	515,000			
Endowment transfers		102,405	(102,405)			
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ 163,170</u>	<u>\$ (4,004,770)</u>	<u>\$ (627,099)</u>	<u>\$ 1,647,601</u>	<u>\$ (2,821,098)</u>	<u>\$ 1,585,266</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS						
Net realized and unrealized gain on investments			(9,404)		(9,404)	15,250
Contributions			181,865		181,865	140,806
INCREASE (DECREASE) IN NET ASSETS	<u>\$ 163,170</u>	<u>\$ (4,004,770)</u>	<u>\$ (454,638)</u>	<u>\$ 1,647,601</u>	<u>\$ (2,648,637)</u>	<u>\$ (1,429,210)</u>
NET ASSETS - BEGINNING OF YEAR	<u>292,386</u>	<u>25,401,534</u>	<u>2,323,097</u>	<u>4,642,672</u>	<u>32,659,689</u>	<u>34,088,899</u>
NET ASSETS - END OF YEAR	<u>\$ 455,556</u>	<u>\$ 21,396,764</u>	<u>\$ 1,868,459</u>	<u>\$ 6,290,273</u>	<u>\$30,011,052</u>	<u>\$ 32,659,689</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**COMBINED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2001 and 2000**

	General Operating Fund	Endowment Fund	Local Investment Fund	General Fixed Assets	Total All Funds 2001	Total All Funds 2000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from services	\$ 4,540,707	\$	\$	\$	\$ 4,540,707	\$ 3,853,518
Cash received from contributions	593,197		551,192		1,144,389	742,608
Income from trust funds	40,077		12,207		52,284	95,944
Interest received	7,031	117,650	18,324		143,005	149,320
Dividends received	29,831	985,754	668		1,016,253	1,120,143
Receipt from investment properties			341,236		341,236	418,798
Miscellaneous receipts	36,972		23,576		60,548	48,681
Cash paid to employees and suppliers	(6,626,857)	(42,405)	(145,984)		(6,815,246)	(5,809,983)
Cash received from other funds	1,383,845	(1,383,845)			0	
Net cash provided (used) by operating activities	\$ 4,803	\$ (322,846)	\$ 801,219	\$	\$ 483,176	\$ 619,029
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	\$	\$ 5,055,042	\$ 97	\$	\$ 5,055,139	\$ 23,934,373
Purchase of investments		(5,710,550)			(5,710,550)	(25,337,465)
Purchase of property and equipment	(20,531)		(1,970,910)		(1,991,441)	(587,930)
Endowment transfers		(412,596)	412,596			
Net cash provided (used) in investing activities	\$ (20,531)	\$ (1,068,104)	\$ (1,558,217)	\$	\$ (2,646,852)	\$ (1,991,022)
INCREASE IN CASH AND CASH EQUIVALENTS	\$ (15,728)	\$ (1,390,950)	\$ (757,000)	\$	\$ (2,163,678)	\$ (1,371,993)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	235,199	1,782,250	767,414		2,784,863	4,156,856
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 219,471	\$ 391,300	\$ 10,414	\$	\$ 621,185	\$ 2,784,863
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES						
Change in Net Assets:	\$ 163,170	\$ (4,004,770)	\$ (454,643)	\$ 1,647,601	\$ (2,648,642)	\$ (1,429,210)
Adjustments to reconcile changes in net assets to net cash provided						
Depreciation and amortization		3,216		370,943	374,159	306,421
Increase in receivables and promises to give	(157,374)	40,154	(277,925)		(395,145)	4,951
Increase in prepaid expenses	3,000		(84,668)		(81,668)	(13,835)
Increase in payables and accrued expenses	(24,524)		113,481		88,957	84,475
Realized and unrealized gain on investments		3,225,958	9,409		3,235,367	1,800,703
Purchase of property and equipment	20,531		1,970,910		1,991,441	587,930
Increase in discounts on investments						6,330
Transfer from other funds		412,596	(412,596)	(2,018,544)	(2,018,544)	(587,930)
Non-cash bequest to trust funds			(62,749)		(62,749)	(140,806)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 4,803	\$ (322,846)	\$ 801,219	\$ 0	\$ 483,176	\$ 619,029

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND
STATEMENTS OF FINANCIAL POSITION
December 31, 2001 and 2000**

ASSETS

	<u>2001</u>	<u>2000</u>
Current assets		
Cash and cash equivalents	\$ 219,471	\$ 235,199
Accounts receivable	495,643	338,269
Prepaid expenses	<u>45,549</u>	<u>48,549</u>
Total Current Assets	<u>\$ 760,663</u>	<u>\$ 622,017</u>

LIABILITIES

Current Liabilities		
Accounts payable	\$ 47,203	\$ 119,473
Accrued compensation	<u>257,904</u>	<u>210,158</u>
Total Current Liabilities	\$ 305,107	\$ 329,631

NET ASSETS

Unrestricted net assets	<u>455,556</u>	<u>292,386</u>
Total Liabilities and Net Assets	<u>\$ 760,663</u>	<u>\$ 622,017</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2001 and 2000**

	2001	2000
UNRESTRICTED REVENUES AND SUPPORT		
Contributions	\$ 480,050	\$ 463,887
Children's home offerings	85,132	58,179
Special events	37,461	32,300
Child care support	4,354,799	3,607,779
Independent living services	150,858	123,097
Federal subgrants for child care	86,727	87,643
Family development services	36,502	18,467
Training fees and evaluation	20,851	18,058
Trust funds	83,173	61,329
Interest income	7,031	12,372
Dividend income	29,832	17,181
Outdoor wilderness learning	27,783	16,794
Miscellaneous income	14,187	13,776
Total revenue and support	<u>\$ 5,414,386</u>	<u>\$ 4,530,862</u>
EXPENSES		
Administrative and general	\$ 1,078,049	\$ 964,170
Plant operation and maintenance	459,492	451,028
Medical and nursing	173,764	150,096
Dietary	417,782	340,502
Emergency shelter care	479,251	384,282
Residential group care	718,595	673,441
Recreational	162,025	142,459
Educational services	360,874	289,441
Pastoral care	78,965	74,522
Family development service	226,439	236,238
Clinical services	495,888	550,142
Life skills service	147,072	123,422
Outdoor wilderness learning	121,067	108,204
Public relations and development	283,361	265,703
Capital expenditures	20,531	23,815
Changing attitudes and behavior program	1,261,318	914,675
Family plus	150,588	60,817
Total expenses	<u>\$ 6,635,061</u>	<u>\$ 5,752,957</u>
REVENUE (DEFICIENCY) OVER EXPENSES	<u>\$ (1,220,675)</u>	<u>\$ (1,222,095)</u>
NET ASSETS TRANSFERRED FROM OTHER FUNDS	<u>\$ 1,383,845</u>	<u>\$ 1,112,171</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>\$ 163,170</u>	<u>\$ (109,924)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>292,386</u>	<u>402,310</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 455,556</u></u>	<u><u>\$ 292,386</u></u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND
STATEMENTS OF CASH FLOWS
As of December 31, 2001 and 2000**

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from services	\$ 4,540,707	\$ 3,853,518
Cash received from contributions	593,197	554,366
Income from trust funds	40,077	61,329
Interest received	7,031	12,372
Dividends received	29,831	17,181
Miscellaneous receipts	36,972	48,628
Transfer from other funds	1,383,845	1,112,171
Cash paid to employees and suppliers	<u>(6,626,857)</u>	<u>(5,658,502)</u>
Net cash provided by operating activities	<u>\$ 4,803</u>	<u>\$ 1,063</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>\$ (20,531)</u>	<u>\$ (23,815)</u>
Net cash used in investing activities	<u>\$ (20,531)</u>	<u>\$ (23,815)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ (15,728)</u>	<u>\$ (22,752)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>235,199</u>	<u>257,951</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 219,471</u></u>	<u><u>\$ 235,199</u></u>
RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 163,170	\$ (109,924)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in accounts receivable	(157,374)	16,532
(Increase) decrease in prepaid expenses	3,000	(13,835)
Increase (decrease) in accounts payable	(72,270)	33,716
Increase in accrued wages	47,746	50,759
Purchase of property and equipment	<u>20,531</u>	<u>23,815</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 4,803</u></u>	<u><u>\$ 1,063</u></u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**ENDOWMENT FUND
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents - The Trust Company of Louisiana - custodian	\$ 391,300	\$ 1,782,250
Investments - The Trust Company of Louisiana - custodian	7,987,324	8,911,451
Investments - Hibernia National Bank - custodian	<u>13,018,140</u>	<u>14,707,833</u>
Total assets	<u>\$ 21,396,764</u>	<u>\$ 25,401,534</u>
NET ASSETS		
Unrestricted net assets	<u>\$ 21,396,964</u>	<u>\$ 25,401,534</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**ENDOWMENT FUND
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
REVENUE		
Dividend income	\$ 204,975	\$ 339,263
Interest income	82,416	19,037
Income from pooled funds	772,642	827,232
Realized and unrealized gain (loss) on investments	<u>(3,225,958)</u>	<u>(1,815,953)</u>
	<u>\$ (2,165,925)</u>	<u>\$ (630,421)</u>
EXPENSES		
Management and custody fees	<u>\$ 42,405</u>	<u>\$ 107,167</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (2,208,330)</u>	<u>\$ (737,588)</u>
OTHER CHANGES IN NET ASSETS		
Operating transfers	(1,898,845)	(1,112,171)
Transfer from local investment fund	<u>102,405</u>	<u>107,167</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ (4,004,770)</u>	<u>\$ (1,742,592)</u>
UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>25,401,534</u>	<u>27,144,126</u>
UNRESTRICTED NET ASSETS AT END OF YEAR	<u><u>\$ 21,396,764</u></u>	<u><u>\$ 25,401,534</u></u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**ENDOWMENT FUND
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	\$ 117,650	\$ 92,724
Dividends received	253,852	275,486
Income from pooled funds	731,902	827,232
Transfers to Operating Fund	(1,383,845)	(1,112,171)
Cash paid to suppliers of services	<u>(42,405)</u>	<u>(107,167)</u>
Net cash used by operating activities	<u>\$ (322,846)</u>	<u>\$ (23,896)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	\$ 5,055,042	\$ 23,934,373
Transfers form Local Investment Fund	(412,596)	107,167
Purchase of securities	<u>(5,710,550)</u>	<u>(25,337,465)</u>
Net cash provided by investing activities	<u>\$ (1,068,104)</u>	<u>\$ (1,295,925)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>\$ (1,390,950)</u>	<u>\$ (1,319,821)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,782,250</u>	<u>3,102,071</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 391,300</u></u>	<u><u>\$ 1,782,250</u></u>
RECONCILIATION OF CHANGES TO NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in net assets	\$ (4,004,770)	\$ (1,742,592)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in receivables	40,154	3,580
Net realized and unrealized loss on investments	3,225,958	1,815,953
Amortization of bond premiums (discounts)	3,216	6,330
Transfers from other funds	<u>412,596</u>	<u>(107,167)</u>
NET CASH PROVIDED (USED) BY OPERATIONS	<u><u>\$ (322,846)</u></u>	<u><u>\$ (23,896)</u></u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**LOCAL INVESTMENT FUND
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2001 AND 2000**

ASSETS

	2001	2000
Current Assets		
Cash and cash equivalents	\$ 10,414	\$ 767,414
Accounts receivable	118,342	49,563
Unconditional promises to give - temporarily restricted	119,320	200
Prepaid expenses	84,668	
Total current assets	<u>\$ 332,744</u>	<u>\$ 817,177</u>
Long-Term Investments		
Certificates of deposits - temporarily restricted	\$ 72,587	\$ 71,287
Stocks and bonds	20,221	20,221
Louise Briley Leake Trust Fund - temporarily restricted	739,550	751,573
Hattie Jordan Trust Fund - temporarily restricted	142,129	140,806
Loraine Howard Property	462,035	462,035
R.D. Webb Property		97
R.D. Shelley Property	801	801
L.V. Lindingham Property	100	100
A.P. White Property	59,000	59,000
Unconditional promises to give - temporarily restricted	90,026	
E.J. Bernard Annuity - temporarily restricted	62,741	
Total long-term investments	<u>\$ 1,649,190</u>	<u>\$ 1,505,920</u>
Total Assets	<u>\$ 1,981,934</u>	<u>\$ 2,323,097</u>

LIABILITIES

Accounts payable	<u>\$ 113,480</u>	<u>\$</u>
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NET ASSETS

Unrestricted	\$ 732,127	\$ 1,359,231
Temporarily restricted	<u>1,136,327</u>	<u>963,866</u>
	<u>\$ 1,868,454</u>	<u>\$ 2,323,097</u>
Total Liabilities and Net Assets	<u>\$ 1,981,934</u>	<u>\$ 2,323,097</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**LOCAL INVESTMENT FUND
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	2001	2000
UNRESTRICTED REVENUE AND SUPPORT		
Loraine Howard Property	\$ 53,237	\$ 169,738
R.D. Webb Property	226,344	218,872
Shelley Property	31,189	36,657
Trust Funds	18,249	34,615
Wills and bequests	153,459	127,792
Contributions and memorials	114,454	60,450
Interest income	18,324	44,224
Dividend income	524	244
Miscellaneous income	533	53
Gain on sale of assets	18,091	8,692
Capital campaign fund	466,152	
	<hr/>	<hr/>
Total revenue and support	\$ 1,100,556	\$ 701,337
EXPENSES		
Administrative and general	\$ 142,237	\$ 44,314
Capital expenses	1,998,013	564,115
	<hr/>	<hr/>
Total expenses	\$ 2,140,250	\$ 608,429
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (1,039,694)	\$ 92,908
OTHER CHANGES IN NET ASSETS		
Transfer (to) from Endowment Fund (Net)	452,595	(107,167)
Transfer to Operating Fund	(40,000)	
	<hr/>	<hr/>
CHANGE IN UNRESTRICTED NET ASSETS	\$ (627,099)	\$ (14,259)
CHANGE IN TEMPORARILY RESTRICTED ASSETS		
Net realized and unrealized gain in investments	\$ (9,409)	\$ 15,250
Contributions	181,865	140,806
	<hr/>	<hr/>
	\$ 172,456	\$ 156,056
INCREASE (DECREASE) IN NET ASSETS	\$ (454,643)	\$ 141,797
NET ASSETS - BEGINNING OF YEAR	<hr/> 2,323,097	<hr/> 2,181,300
NET ASSETS - END OF YEAR	<hr/> \$ 1,868,454	<hr/> \$ 2,323,097

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**LOCAL INVESTMENT FUND
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions, wills and bequests	\$ 551,192	\$ 188,242
Income from trust funds	12,207	34,615
Interest received	18,324	44,224
Miscellaneous receipts	23,576	53
Dividends received	668	244
Receipts from investment properties	341,236	418,798
Cash paid to suppliers	<u>(145,984)</u>	<u>(44,314)</u>
Net cash provided by operating activities	\$ 801,219	\$ 641,862
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer (to) from Endowment Fund (Net)	\$ 452,594	\$ (107,167)
Capital purchases for Plant Fund	(1,970,910)	(564,115)
Transfers to Operating Fund	(40,000)	
Basis in assets sold	<u>97</u>	
Net cash used by investing activities	\$ (1,558,219)	\$ (671,282)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (757,000)	\$ (29,420)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>767,414</u>	<u>796,834</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,414</u>	<u>\$ 767,414</u>
RECONCILIATION OF CHANGES TO NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (454,643)	\$ 141,797
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Decrease in receivables and promises to give	(277,925)	(15,161)
Realized and unrealized gains as investments	9,409	(15,250)
Transfer to (from) other funds	(412,595)	107,167
Purchase of property and equipment	1,970,910	564,115
Non-cash wills and bequests	(62,749)	(140,806)
Increase in prepaid expenses	(84,668)	
Increase in accounts payable	<u>113,480</u>	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 801,219</u>	<u>\$ 641,862</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL FIXED ASSETS
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
ASSETS		
Autos, trucks and buses	\$ 424,405	\$ 410,462
Tractors and ground equipment	112,990	121,794
Furniture, fixtures and equipment	1,768,720	1,560,205
Building and improvements	8,010,356	6,261,472
Land and land improvements	<u>93,220</u>	<u>93,220</u>
	\$ 10,409,691	\$ 8,447,153
Less: Accumulated depreciation	<u>(4,119,418)</u>	<u>(3,804,481)</u>
	<u>\$ 6,290,273</u>	<u>\$ 4,642,672</u>
 INVESTMENT IN GENERAL FIXED ASSETS		
 Fund Balance - General Fixed Assets	 <u>\$ 6,290,273</u>	 <u>\$ 4,642,672</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL FIXED ASSETS
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
EXPENSES		
Provision for depreciation	\$ 370,943	\$ 306,421
EXCESS OF EXPENSES OVER REVENUE	\$ (370,943)	\$ (306,421)
ACQUISITION OF PROPERTY AND EQUIPMENT WITH TRANSFERS FROM OTHER CURRENT FUNDS	<u>2,018,544</u>	<u>587,930</u>
CHANGE IN NET ASSETS	\$ 1,647,601	\$ 281,509
NET ASSETS - BEGINNING OF YEAR	<u>4,642,672</u>	<u>4,361,163</u>
NET ASSETS - END OF YEAR	<u>\$ 6,290,273</u>	<u>\$ 4,642,672</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL FIXED ASSETS
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES	\$ 0	\$ 0
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>0</u>	<u>0</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>
 RECONCILIATION OF CHANGES IN NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 1,647,601	\$ 281,509
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	370,943	306,421
Transfer from other funds	<u>(2,018,544)</u>	<u>(587,930)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an
integral part of this statement.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Louisiana United Methodist Children and Family Services, Inc. is a Louisiana non-profit corporation owned by the Louisiana Annual Conference of the United Methodist Church. All powers and authority of Louisiana United Methodist Children and Family Services, Inc. (the corporation) shall be vested in and exercised by a Board of Directors and the property, business and affairs of the corporation shall be managed under the direction of the Board. The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954.

The Louisiana United Methodist Children and Family Services, Inc. (sometimes doing business as "The Louisiana Methodist Children's Home") seeks to minister to the diverse needs of Louisiana's children and families experiencing stress, brokenness and other special circumstances. The Organization was formed for educational, eleemosynary, literary, scientific, and charitable objectives and purpose. The Organization develops, administers and operates various residential and outpatient programs. These programs provide valiative, therapeutic, educational, recreational and social services for the youth and their families.

The Organization receives a significant portion of its revenue from grants/contracts from government agencies; thus, the Home is subject to possible cutbacks due to changes in funding priorities. During 2001 and 2000, the Home received approximately 76 and 82 percent of its gross public support from such grants/contracts.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the Home is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No permanently restricted assets were held during 2001 and 2000 and accordingly, these financials do not reflect any activity related to this class of net assets for 2001 and 2000.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include those assumed in valuing promises to give, the market values of investments and the useful lives of depreciable assets. It is at least possible that the significant estimates will change within the next year.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Donated Property and Services

Donated securities and property are recognized at fair market value at the time the assets are made available to the Organization. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise.

Plant and Equipment

Fixed assets are recorded at cost, if purchased, or market value at time of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 2 to 40 years.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization primarily receives only unrestricted contributions with the exception of certain bequests of future interest in testamentary trusts; these net assets are temporarily restricted by the donor until the trust matures at some future date and unconditional promises to give to be received in future periods.

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Costs are allocated between fund raising, management and general or the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Credit Risk

The Organization maintains cash accounts in various institutions with locations in Ruston, Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2001 and 2000, the Organization's uninsured cash balances totaled \$0 and \$20,496 with \$200,458 and \$781,741 secured by repurchase agreements.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEFINED CONTRIBUTION PLAN

The Louisiana United Methodist Children and Family Services, Inc. sponsors substantially all of its employees in the Lay Employee's Pension Fund of the United Methodist Church whereby it matches the employee's contribution two for one up to a maximum cost to the Corporation of 6% of employees gross earnings. Contribution by the Corporation totals \$123,139 for 2001 and \$109,633 for 2000.

NOTE 3 - INVESTMENTS

The Organization's investments and certain cash and cash equivalents are held primarily by a national investment banking and financial services company and managed by an investment advisor in accordance with the terms of an investment advisory agreement.

Investments in marketable equity securities and marketable debt securities are carried at market value. Investments in unlisted securities where market is not readily attainable are carried at cost. A recap of such debt and equity securities is as follows:

	2001	2000
Local Investment Fund		
Certificates of deposits - restricted	\$ 72,586	\$ 72,287
Equity securities - cost	20,221	20,221
Dividends received - Local Investment Fund	524	244
	<u>\$ 93,331</u>	<u>\$ 92,752</u>
Endowment Fund - market		
Cash equivalents	\$ 391,300	\$ 1,786,893
U.S. Government bonds and notes	1,187,762	1,514,419
U.S. Government agencies		248,903
Corporate bonds and notes	43,000	
Mutual funds and pooled funds	15,101,801	15,999,892
Foreign bonds, notes and equities	211,669	130,500
Equity securities	4,408,900	5,587,700
Accrued interest and ex-dividends	52,332	133,227
	<u>\$ 21,396,764</u>	<u>\$ 25,401,534</u>
Net Income For Years - Endowment Fund		
Interest	\$ 82,416	\$ 19,037
Dividends	204,975	339,263
Income from pooled funds	772,642	827,232
Realized and unrealized gains and losses	<u>(3,225,958)</u>	<u>(1,815,953)</u>
	<u>\$ (2,165,925)</u>	<u>\$ (630,421)</u>

In 1996, the Organization received a bequest from the Estate of Louise Briley Leake in the form of an interest in a testamentary trust whereby the income will be paid annually and the trust principal distributed to the Organization twenty-five years from the death of the donor. The bequest was recorded at fair value. Annual changes in fair value are reported as unrealized gain or loss and an increase in temporarily restricted assets.

The Organization records unrealized gains and losses of securities held by the trust in the Statement of Activities as increases or decrease in temporarily restricted net assets.

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CONCENTRATION REVENUES AND ACCOUNTS RECEIVABLE

Louisiana United Methodist Children and Family Services, Inc.'s residential treatment programs serve children primarily from Louisiana. Fees for these services are paid primarily by governmental agencies of Louisiana under contracts which the Organization executes annually. The Organization is reimbursed by the agencies for actual client days based on a per diem rate established in accordance with Louisiana law. The contracts may be terminated by either party with thirty days notice and are subject to the availability and appropriation of federal and/or state funds. Revenue from this service totaled \$4,354,799 and \$3,607,779 for 2001 and 2000, respectively.

Accounts receivable arise from the normal course of providing these services and are not secured. No allowance has been provided for accounts receivable.

NOTE 5 - SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Independent Living Services Program consists of two contracts. Contract A is a nonmatching program with 100% reimbursement for personnel and related benefits cost. These cost are classified directly as independent living services expenditures in the financial statements. Contract B is a 50/50 matching program in which the organization is reimbursed for expenditures equal to its inkind or cash contribution. These costs are allocated to independent living based on detailed ledgers maintained by the organization. These cost consists of allocated portions of administrative overhead, salaries and related benefits; travel; operating services supplies; professional services capital outlay and miscellaneous. The organization does not reclassify these allocated portions as independent living services expenditures for financial statement purposes.

The Child Abuse Counseling Program subgrant requires a 20% match and the Violence Prevention Program subgrant is a nonmatching program with 100% reimbursement for personnel, related benefits and contract services.

MINCHEW, ROBINSON, GARDNER, LANGSTON and BRYAN
CERTIFIED PUBLIC ACCOUNTANTS

2120 Forsythe Avenue
P.O. Box 4550
Monroe, Louisiana 71211-4550

GENE E. MINCHEW, CPA
A Professional Corporation
OSCAR C. ROBINSON, JR., CPA
A Professional Corporation
C. DENNIS GARDNER, CPA
A Professional Corporation
TIMMY R. LANGSTON, CPA
A Professional Corporation
RUSSELL B. BRYAN, CPA
A Professional Corporation

Telephone
(318) 323-4481

Telecopier
(318) 323-2188

**INDEPENDENT AUDITORS' REPORT ON
THE SUPPLEMENTARY DATA**

Board of Directors
Louisiana United Methodist Children
and Family Services, Inc.
Ruston, Louisiana

Our report on our audit of the basic financial statements, as listed in the table of contents of Louisiana United Methodist Children and Family Services, Inc. for 2001 and 2000 appears on Page 1. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the comptroller of the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of additional details are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Minchew, Robinson, Gardner, Langston & Bryan, CPAs

Monroe, Louisiana
February 22, 2002

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
REVENUE AND SUPPORT		
Contributions		
Contributions - undesignated	\$ 100,699	\$ 140,913
Memorials	151,582	123,791
Direct appeals	130,488	114,722
Sponsorships	46,048	34,064
Honorarium	31,930	25,270
Wilderness project donations	1,925	585
Century Club	15,157	14,542
Special gifts	440	10,000
Project donations	1,720	
Family Plus	45	
United Way	16	
	<u>\$ 480,050</u>	<u>\$ 463,887</u>
Children's Home Offerings	<u>\$ 85,132</u>	<u>\$ 58,179</u>
Special Events	<u>\$ 37,461</u>	<u>\$ 32,300</u>
Child Care Support		
Child care support (TIPS)	\$ 1,595,195	\$ 1,297,599
Child care support (DOC)	440,783	439,084
Child care support (CAB)	2,142,749	1,668,321
Child care support (Private)	99,347	114,695
Alternate care	76,725	88,080
	<u>\$ 4,354,799</u>	<u>\$ 3,607,779</u>
Independent Living Service		
Independent Living Grants	<u>\$ 150,858</u>	<u>\$ 123,097</u>
Federal Subgrants		
Violence Prevention Program	\$ 29,953	\$ 3,455
Child Abuse Counseling		34,188
	<u>\$ 29,953</u>	<u>\$ 37,643</u>
Family Plus-LA Cont. Grant	<u>\$ 56,774</u>	<u>\$ 50,000</u>
Family Development Services		
Client fees	\$ 36,502	\$ 18,467
Evaluation fees	20,851	18,058
	<u>\$ 57,353</u>	<u>\$ 36,525</u>

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
REVENUE AND SUPPORT (Cont'd)		
Trust Funds		
Pomeroy Trust	\$ 48,891	\$ 5,794
R. J. Wilson Trust	7,916	9,780
Conference Fund Trusts	7,021	797
Leake Trust	10,246	35,296
Ed and Gladys Hurley Trust	2,000	2,000
Hearne Family Trust	7,099	7,662
Total trust funds	<u>\$ 83,173</u>	<u>\$ 61,329</u>
INTEREST AND DIVIDENDS	<u>\$ 36,863</u>	<u>\$ 29,553</u>
OUTDOOR WILDERNESS PROJECT INCOME	<u>\$ 27,783</u>	<u>\$ 16,794</u>
MISCELLANEOUS INCOME	<u>\$ 14,187</u>	<u>\$ 13,776</u>
TOTAL INCOME	<u>\$ 5,414,386</u>	<u>\$ 4,530,862</u>
EXPENSES		
Administrative and General		
Salaries	\$ 602,552	\$ 564,268
Payroll taxes	39,341	37,488
Employee benefits	93,855	77,541
Advertising and promotion	1,963	921
Dues and licenses	6,429	8,243
Insurance	173,482	148,009
Office supplies	22,971	21,772
Printing	331	331
Postage	18,222	8,046
Professional services	25,014	23,244
Legal expenses	320	267
Subscriptions	1,568	1,104
Telephone	26,916	22,997
In-service training	620	3,293
Travel and seminar	14,167	16,096
Miscellaneous	7,515	2,490
Office equipment maintenance contracts	21,661	22,836
Accreditation	19,312	5,224
Project donations disbursements	1,810	
Total Administrative and General	<u>\$ 1,078,049</u>	<u>\$ 964,170</u>

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	2001	2000
EXPENSES (Cont'd)		
Plant Operation and Maintenance		
Salaries	\$ 102,140	\$ 90,642
Payroll taxes	5,108	8,270
Employee benefits	13,911	15,590
Contract for outside services	34,420	37,347
Maintenance - buildings and grounds	12,783	6,757
Repairs - buildings and grounds	30,717	23,625
Major repairs and replacements	12,627	13,956
Supplies	2,623	6,116
Utilities	214,644	213,610
Vehicle gas, oil and repairs	30,519	35,113
Miscellaneous		2
Total Plant Operation and Maintenance	\$ 459,492	\$ 451,028
Medical and Nursing		
Salaries	\$ 86,308	\$ 81,438
Payroll taxes	6,114	5,828
Employee benefits	12,297	11,024
Medical service - routine res	152	1,022
Medical service - routine ESC-M	171	284
Medical service - routine ESC-CAB	317	68
Medical service - extraordinary - res	646	2,182
Medical service - extraordinary - ESC-F	101	16
Medical service - extraordinary - ESC-M	37	154
Medical service - extraordinary - ESC-CAB	259	45
Medical supplies - res	11,622	9,901
Medical supplies - ESC-F	1,752	509
Medical supplies - ESC-M	2,164	787
Medical supplies - CAB	3,344	1,018
Training	602	505
Other	165	114
Employee drug screens	6,133	
OSHA required vaccination	57	10,107
Psychiatrist - res	20,477	12,547
Psychiatrist - CAB	21,046	12,547
Total Medical and Nursing	\$ 173,764	\$ 150,096
Dietary		
Salaries	\$ 132,859	\$ 108,253
Payroll taxes	9,625	6,297
Employee benefits	14,322	11,896
Food - res	131,138	113,296
Food - ESC - Females	25,671	16,115
Food - ESC - Males	25,130	20,209
Food - CAB	64,269	47,230
Food - Special	8,744	9,459
Supplies	5,868	3,412
Dietitian consultant		4,050
Training	36	175
Miscellaneous	120	110
Total Dietary	\$ 417,782	\$ 340,502

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
EXPENSES (Cont'd)		
Emergency Shelter Care - Females		
Housekeeping		
Salaries	\$ 2,314	\$ 5,989
Payroll taxes	16	449
Employee benefits		67
Supplies	<u>4,417</u>	<u>7,115</u>
Total housekeeping	<u>\$ 6,747</u>	<u>\$ 13,620</u>
Laundry and Linen		
Supplies	\$ 1,730	\$ 1,070
Linen and bedding	<u>58</u>	<u>124</u>
Total laundry and linen	<u>\$ 1,788</u>	<u>\$ 1,194</u>
Personal Client Needs		
Allowances	\$ 1,493	\$ 1,047
Personal hygiene	911	814
Clothing	1,777	619
Other	<u>76</u>	
Total personal client needs	<u>\$ 4,257</u>	<u>\$ 2,480</u>
Therapeutic and Training		
Salaries - clerical	\$	\$ 17,018
Salaries - child care worker	204,539	135,877
Payroll taxes	15,154	13,407
Employee benefits	21,038	17,039
Miscellaneous	<u>850</u>	<u>172</u>
Total therapeutic and training	<u>\$ 241,581</u>	<u>\$ 183,513</u>
Total Emergency Shelter Care - Females	<u><u>\$ 254,373</u></u>	<u><u>\$ 200,807</u></u>
Emergency Shelter Care - Males		
Housekeeping		
Salaries	\$ 5,831	\$ 3,112
Payroll taxes	282	252
Employee benefits		27
Supplies	<u>4,363</u>	<u>3,081</u>
Total housekeeping	<u>\$ 10,476</u>	<u>\$ 6,472</u>

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
EXPENSES (Cont'd)		
Emergency Shelter Care - Males (Cont'd)		
Personal Client Needs		
Allowances	\$ 1,469	\$ 1,180
Personal hygiene	802	543
Christmas and birthdays	155	112
Clothing	1,638	559
Other	62	80
Total personal client needs	<u>\$ 4,126</u>	<u>\$ 2,474</u>
Therapeutic and training		
Salaries - clerical	\$	\$ 2,363
Salaries - child care worker	184,014	150,875
Payroll taxes	14,480	11,946
Employee benefits	11,013	8,977
Miscellaneous	769	368
Total therapeutic and training	<u>\$ 210,276</u>	<u>\$ 174,529</u>
Total Emergency Shelter Care - Males	<u><u>\$ 224,878</u></u>	<u><u>\$ 183,475</u></u>
Residential Group Care		
Housekeeping		
Supplies	\$ 29,009	\$ 31,126
Linen and bedding	405	451
Total housekeeping	<u>\$ 29,414</u>	<u>\$ 31,577</u>
Personal Client Needs		
Allowance	\$ 10,067	\$ 10,880
Personal hygiene	9,803	7,881
Christmas and birthdays	2,634	306
Clothing	23,883	17,662
Visitation and transportation	7,858	3,610
Total personal client needs	<u>\$ 54,245</u>	<u>\$ 40,339</u>
Therapeutic and Training		
Salaries - child care	\$ 560,915	\$ 529,892
Payroll taxes	41,665	39,065
Employee benefits	26,033	27,289
Miscellaneous	225	451
Training	2,475	1,566
Total therapeutic and training	<u>\$ 631,313</u>	<u>\$ 598,263</u>

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
EXPENSES (Cont'd)		
Residential Group Care (Cont'd)		
Recreational		
Supplies	\$ 508	\$ 90
House activities fund	3,115	3,172
	<u>3,623</u>	<u>3,262</u>
Total recreational	\$ 3,623	\$ 3,262
Total Residential Group Care	<u>\$ 718,595</u>	<u>\$ 673,441</u>
Recreational		
Salaries	\$ 124,484	\$ 111,214
Payroll taxes	8,826	8,498
Employee benefits	15,635	9,187
Supplies	2,215	2,616
Activities fund	2,204	2,290
Training	288	2,535
Miscellaneous		893
Summer trip	6,394	5,226
Golf tournament	1,979	
	<u>162,025</u>	<u>142,459</u>
Total recreational	\$ 162,025	\$ 142,459
Educational Services		
Salaries	\$ 290,943	\$ 231,997
Payroll taxes	20,674	16,904
Employee benefits	31,544	28,776
School fees and tutorial	2,706	702
Supplies	13,644	6,115
Other	1,363	4,947
	<u>360,874</u>	<u>289,441</u>
Total educational services	\$ 360,874	\$ 289,441
Pastoral Care		
Salaries	\$ 44,969	\$ 42,351
Payroll taxes	998	834
Employee benefits	15,004	13,457
Housing allowance	14,400	14,400
Supplies	2,827	2,213
Activities	669	1,065
Training		108
Travel	98	84
Other		10
	<u>78,965</u>	<u>74,522</u>
Total pastoral care	\$ 78,965	\$ 74,522

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
EXPENSES (Cont'd)		
Family Development Service		
Salaries	\$ 187,031	\$ 191,421
Payroll taxes	13,103	13,291
Employee benefits	20,020	22,514
Supplies	1,011	1,581
Professional services		1,097
Travel	1,527	1,786
Professional training	3,085	1,354
Contract services		3,000
Miscellaneous	662	174
	<u>226,439</u>	<u>236,238</u>
Total family development service	<u>\$ 226,439</u>	<u>\$ 236,238</u>
Clinical Services		
Salaries	\$ 414,381	\$ 470,859
Payroll taxes	29,941	33,089
Employee benefits	45,526	43,143
Therapeutic supplies	1,090	809
Training	4,950	2,242
	<u>495,888</u>	<u>550,142</u>
Total clinical services	<u>\$ 495,888</u>	<u>\$ 550,142</u>
Life Skills Service		
Salaries	\$ 77,559	\$ 77,661
Payroll taxes	5,651	5,576
Employee benefits	12,001	9,278
Contract services - custodial	3,998	3,739
Client transportation		64
Travel and seminar	7,291	8,352
Equipment and furnishing	325	1,467
Supplies	13,252	12,137
Operation service equipment	881	1,728
Youth activity	256	428
Training meals	756	2,075
Miscellaneous	24,085	301
Education register fee	38	616
Telephone	979	
	<u>147,072</u>	<u>123,422</u>
Total life skills services	<u>\$ 147,072</u>	<u>\$ 123,422</u>

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

EXPENSES (Cont'd)	<u>2001</u>	<u>2000</u>
Outdoor Wilderness Learning		
Salaries	\$ 69,499	\$ 59,833
Payroll taxes	4,445	4,180
Employee benefits	6,637	4,790
Training and challenge course	5,480	3,849
Utilities	4,584	7,885
Supplies - O.W.L.	9,021	11,575
Supplies - farm	14,603	11,742
Equipment and repair	1,207	3,680
Hot house supplies	5,190	
Miscellaneous	401	670
	<u>\$ 121,067</u>	<u>\$ 108,204</u>
Public Relations and Development		
Salaries	\$ 132,713	\$ 120,148
Payroll taxes	5,421	4,646
Employee benefits	20,630	16,133
Housing allowance	14,400	14,400
Supplies	4,094	3,016
Telephone	246	600
Webb page	120	550
Printing - direct	50,571	51,437
Printing - offerings	8,420	6,757
Printing - special	5,441	6,409
Postage	21,238	15,082
Professional fees	300	408
Travel and seminar	5,248	6,672
Professional training	3,039	4,386
Board training		130
Regional development activities	179	1,211
Special events	10,206	9,883
Miscellaneous	1,095	409
Contract services		3,117
Grant proposals		309
	<u>\$ 283,361</u>	<u>\$ 265,703</u>
C. A. B. Program		
Housekeeping		
Salaries	\$ 22,924	\$ 18,036
Payroll taxes	1,205	1,722
Employee benefits	266	(86)
Supplies	17,796	10,973
Linen and bedding	65	324
	<u>\$ 42,256</u>	<u>\$ 30,969</u>

**LOUISIANA UNITED METHODIST CHILDREN
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**GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000**

EXPENSES (Cont'd)	<u>2001</u>	<u>2000</u>
C. A. B. Program (Cont'd)		
Personal Client Needs		
Allowance	\$ 5,516	\$ 4,282
Personal hygiene	3,482	2,635
Christmas and birthdays	1,420	380
Clothing	9,624	7,161
Visitation and transportation	122	(214)
	<hr/>	<hr/>
Total personal client needs	\$ 20,164	\$ 14,244
Therapeutic and Training		
Salaries - clerical	\$ 17,613	\$
Salaries - child care workers	1,041,147	775,445
Payroll taxes	76,993	53,508
Employee benefits	55,837	30,988
Supplies	3,546	5,345
Training	1,243	2,693
Activities	1,994	1,349
Miscellaneous	525	134
	<hr/>	<hr/>
Total therapeutic and training	\$ 1,198,898	\$ 869,462
Total C. A. B program	\$ 1,261,318	\$ 914,675
Family Plus		
Baton Rouge Region		
Salaries	\$ 42,676	\$ 35,885
Payroll taxes	3,144	2,617
Employee benefits	611	382
Supplies	1,947	1,350
Office expense	1,376	1,388
Telephone	2,331	2,394
Travel	3,467	3,767
Training	609	266
Office equipment		6,896
	<hr/>	<hr/>
Total Baton Rouge Region	\$ 56,161	\$ 54,945
North Louisiana Region		
Salaries	\$ 75,474	\$
Payroll taxes	5,455	
Employee benefits	9,021	
Supplies	220	302
Telephone	1,391	1,633
Travel	1,962	3,081
Training	904	856
	<hr/>	<hr/>
Total North Louisiana Region	\$ 94,427	\$ 5,872
Total Family Plus	\$ 150,588	\$ 60,817

LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.

GENERAL OPERATING FUND DETAIL
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2001 and 2000

	2001	2000
EXPENSES (Cont'd)		
Capital Expenditures		
Furniture and fixtures	\$ 4,932	\$ 6,720
Building and improvement	8,742	7,251
Outdoor Wilderness Project	6,857	9,844
	<u> </u>	<u> </u>
Total Capital Expenditures	<u>\$ 20,531</u>	<u>\$ 23,815</u>
Total Expenses	<u>\$ 6,635,061</u>	<u>\$ 5,752,957</u>

**LOUISIANA UNITED METHODIST CHILDREN
AND FAMILY SERVICES, INC.**

**STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
For The Year Ended December 31, 2001**

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Autos, Furniture, and Equipment</u>	<u>Total</u>
GENERAL FIXED ASSETS - BEGINNING OF YEAR	\$ 93,220	\$ 6,260,472	\$ 2,093,461	\$ 8,447,153
<u>Additions</u>				
General Operating Fund	\$	\$ 8,742	\$ 11,789	\$ 20,531
Local Investment Fund		1,741,142	262,212	2,003,354
Total additions	\$	\$ 1,749,884	\$ 274,001	\$ 2,023,885
<u>Retirements</u>				
General Fixed Assets	\$	\$	\$ (61,347)	\$ (61,347)
TOTAL BALANCES AND ADDITIONS	<u>\$ 93,220</u>	<u>\$ 8,010,356</u>	<u>\$ 2,306,115</u>	<u>\$ 10,409,691</u>
GENERAL FIXED ASSETS - END OF YEAR				<u>\$ 10,409,691</u>